

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

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**SETH WOLCHOK,**

**Plaintiff,**

**-against-**

**Complaint for  
Violations of the Fair  
Debt Collection  
Practices Act**

**JURY TRIAL DEMANDED**

**UNITED RECOVERY GROUP LLC**

**Defendant.**  
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**INTRODUCTION**

1. This is an action for actual and statutory damages brought by Plaintiff Seth Wolchok, an individual consumer, against Defendant United Recovery Group LLC (“URG”) for violations of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.* (“FDCPA”). In addition, the plaintiff seeks actual and punitive damages on his common law state claim for defamation.
2. Defendant violated the FDCPA by making false representations to plaintiff and seeking to collect and actually collecting illegal interest charges from plaintiff that he did not legally owe because it was based upon an usurious and illegal “payday loan.”
3. Defendant willfully and maliciously defamed the plaintiff by repeatedly making false allegations about him to third parties - including allegations of criminal offense - which defendant knew, or reasonably should have known, was false. The plaintiff

suffered damages including, but not limited to, damage to his reputation, emotional distress, annoyance, aggravation, frustration, and defamation per se as a result of this conduct and is entitled to an award of punitive damages.

### **JURISDICTION**

4. Jurisdiction of this court arises under 15 U.S.C. § 1692k(d). This Court has supplemental jurisdiction of the state law claims asserted herein under 28 U.S.C. § 1367(a) and pendant jurisdiction over the state common law claims asserted herein. Venue is properly laid pursuant to 28 U.S.C. § 1391(b).

### **PARTIES**

5. Plaintiff Seth Wolchok is a natural person residing in Staten Island, New York.
6. Defendant United Recovery Group LLC is an California debt collection company that engages in the business of collecting debts in New York.

### **FACTUAL ALLEGATIONS**

7. In July 2013, plaintiff's mother-in-law received a call from the Defendant. Defendant told her they were going to arrive at her home within two hours to serve legal papers relating to a debt owed by the Plaintiff's brother, Jed Wolchok.
8. Jed Wolchok then received a call from plaintiff's mother-in-law, wherein she was highly upset and agitated by this call. Plaintiff's brother was alarmed upon receiving this call, and immediately called Defendant.
9. Defendant informed Plaintiff's brother they had called his mother-in-law because she was listed as a contact "in a federal database."

10. Defendant further repeatedly informed Plaintiff's brother that Plaintiff "defrauded a bank" and was being "sued for defrauding a bank by using a fake bank account to obtain a loan."
11. Defendant threatened plaintiff's brother, stating they "knew where his brother [the Plaintiff] worked."
12. Defendant misled plaintiff's brother by stating "URG [is] not an acronym and d[oes]n't stand for anything" and they "were not debt collectors but were financial mediators" (internal quotations omitted).
13. Defendant defamed the plaintiff and violated his privacy through these repeated false statements made to plaintiff's family.
14. The "payday loan" plaintiff had taken contained an interest rate far in excess of the New York legal rate of interest and is thus usurious and illegal under New York law.
15. Plaintiff made payments directly to the original payday lender, paying off all or most of the principal on the loan prior to being contacted by Defendant.
16. Defendant called plaintiff and told plaintiff that he had been sued for failing to repay the subject "payday" loan and that they were going to serve him with legal papers within two hours if he did not make a prompt payment of \$715.00.
17. Plaintiff was unable to make full payment at that time but did make a \$100.00 payment to Defendant via a debit card at that time.
18. In August 2013, plaintiff made a further payment to Defendant of \$615.00 in response to the defendant's threats.

**FIRST CAUSE OF ACTION**  
**VIOLATION OF THE FAIR DEBT COLLECTION PRACTICES ACT**

19. The plaintiff hereby re-alleges and incorporates by reference each of the allegations in the paragraphs above.
20. The plaintiff Seth Wolchok is a “consumer” as that term is used in 15 U.S.C. § 1692a(3).
21. Defendant is a “debt collector” within the meaning of 15 U.S.C. § 1692a(6).
22. The alleged debt underlying the plaintiff’s complaint is a “debt” within the meaning of 15 U.S.C. § 1692a(5).
23. Defendant violated 15 U.S.C. § 1692e(5) by threatening to take actions against plaintiff that they could not legally take.
24. Defendant violated 15 U.S.C. 1692e(5) by threatening to take actions against plaintiff that they did not intend to take.
25. Defendant violated 15 U.S.C. § 1692f(1) by attempting to collect and collecting a debt from the plaintiff that was not permitted by law, because it was based on an usurious contract and thus invalid under New York law.
26. Defendant violated 15 U.S.C. 1692f(1) by seeking to collect and collecting interest in excess of the legal rate permitted in New York.
27. Defendant violated 15 U.S.C. § 1692e(10) by falsely stating that plaintiff had already been sued by them and that they were about to serve him with legal papers.
28. Defendant violated 15 U.S.C. § 1692c(b) by, without the prior consent of the plaintiff or the express permission of a court of competent jurisdiction, communicating,

in collection with a debt, with third parties, notably the plaintiff's brother and brother's mother-in-law.

29. As a result of the defendant's unlawful conduct the plaintiff suffered actual economic and emotional distress damages.

**SECOND CAUSE OF ACTION**  
**DEFAMATION**

30. The plaintiff repeats and re-alleges each and every allegation set forth above, as if reasserted herein.

31. URG maliciously defamed the plaintiff by its knowing statements to third parties of fraudulent, erroneous, and inaccurate accusations of fraud and other erroneous information described herein.

32. URG had actual knowledge of the false, inaccurate and fraudulent nature of such information and published it despite having such knowledge.

33. URG's actual knowledge of the falsity and reckless disregard for the truth demonstrates malice and/or willful intent to injure the plaintiff.

34. As a direct and proximate result of such conduct, the plaintiff suffered actual damages as set forth herein.

35. In addition and in the alternative, by publishing a false statement alleging that plaintiff committed a serious crime, namely defrauding a bank by using a fake account to obtain a loan, URG committed slander per se, excepting plaintiff from the need to prove special damages. URG is liable to the plaintiff for the actual damages plaintiff has sustained by such conduct.

36. The plaintiff is entitled to an award of punitive damages from defendant in an

amount sufficient to punish URG for its conduct, as well as to serve as a deterrent to URG and others to prevent such egregious conduct in the future.

**WHEREFORE**, the plaintiff respectfully requests that judgment be entered as follows:

- A. Awarding the plaintiff actual damages pursuant to 15 USC § 1692k(a)(1).
- B. Awarding the plaintiff statutory damages pursuant to 15 USC § 1692k(a)(2)(A).
- C. Awarding the plaintiff attorney's fees and costs pursuant to 15 USC § 1692k(a)(3).
- D. Awarding the plaintiff actual and punitive damages pursuant to plaintiff's defamation claim.
- E. Granting such other and further relief as the Court deems just.

**DEMAND FOR JURY TRIAL**

Please take notice that the plaintiff Seth Wolchok demands a trial by jury on all causes of action asserted herein.

Dated: July 16, 2014  
New York, NY



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